

## Selecting Distribution Channels

*It was only about 25 years ago that most banks typically only used one distribution channel (their branches). However, since that time they have dramatically expanded the number of channels that they use.*

*Below is a list of common distribution channels for a bank. Your task is to identify the most appropriate mix of channels for two different banks.*

### About the Banks and Their Possible Channel Choices

The first bank is a major bank that has an extensive number of branches throughout the country. One of the key aspects of their positioning is that they offer great personal service. Select the five most suitable channels for them.

The second bank is new to the country. They have no branches and have very little brand awareness in the market. Their plan is to specialize in offering great value home loans only. Select the five most suitable channels for them.

Direct channels	Direct channels	Indirect channels
Branches	Mobile managers (who visit the customer)	Enable transactions through third-party retail stores
Phone (a call center)	Personal Banker (staff who directly look after customers)	Utilize mortgage/loan brokers
Phone (an automated system)	Direct mail	Utilize investment advisers/financial planners
Internet banking	Email	Get referrals from real estate agents and accountants
ATM's	Mobile phone messages	Generate sales/referrals via independent internet sites

### Student Discussion Questions

1. What are the most suitable distribution channels for each bank?
2. Is your selection of channels relatively similar or different between the two banks?
3. Therefore, what role does 'place' (distribution channels) play in a firm's overall strategy and marketing mix?